

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 7/16/2013	(3) CONTACT/PHONE Jeff Hamm, Health Agency Director, 781-4719	
(4) SUBJECT Request to approve an amendment to the existing agreement (Clerk's File) with Community Health Centers of the Central Coast in the amount of \$1,250,000 to provide primary medical care, pharmacy and ancillary services to County Medical Services Program patients, extending the term of the agreement through December 31, 2013.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chairperson to sign an amendment to the existing agreement (Clerk's File) with Community Health Centers of the Central Coast to provide primary medical care, pharmacy and ancillary services to County Medical Services Program patients.			
(6) FUNDING SOURCE(S) Realignment, General Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$1,250,000.00	(8) ANNUAL FINANCIAL IMPACT \$1,250,000.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001302		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP No	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>10-18-2011</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director, 781-4719

DATE: 7/16/2013

SUBJECT: Request to approve an amendment to the existing agreement (Clerk's File) with Community Health Centers of the Central Coast in the amount of \$1,250,000 to provide primary medical care, pharmacy and ancillary services to County Medical Services Program patients, extending the term of the agreement through December 31, 2013.

RECOMMENDATION

It is recommended that the Board approve and direct the Chairperson to sign an amendment to the existing agreement (Clerk's File) with Community Health Centers of the Central Coast to provide primary medical care, pharmacy and ancillary services to County Medical Services Program patients.

DISCUSSION

In the spring of 2004, the County discontinued operation of its own medical care clinics and entered into an agreement with Community Health Centers of the Central Coast (CHC) to provide primary healthcare, ancillary and pharmacy services. CHC is a Federally Qualified Health Center, operating the County's only system of community health clinics.

Since the original agreement in 2004, the County and CHC have negotiated a series of successive agreements, continuing the mutually beneficial relationship between the parties. The current agreement covers two fiscal years, 2011-12 and 2012-13. It is recommended that the current agreement be extended six months, with no other modification of terms. The extension will allow CHC to continue to provide medically necessary services to CMSP enrolled individuals through the end of the current calendar year, at which point the Medi-Cal expansion component of federal health care reform is scheduled to occur.

The Medi-Cal expansion will significantly reduce the number of individuals who will be eligible for and enrolled in CMSP. In fact, staff expects that, starting in January 2014, the County will be left with such a small residual population eligible for CMSP that the Health Agency will close its current CMSP program and contract with a third party. At this point, CenCal Health is the organization that appears most qualified to provide the services, which will include contracting with providers, including CHC. Staff will return to the Board late this summer or early fall with a comprehensive set of recommended actions related to the State's expansion of Medi-Cal.

OTHER AGENCY INVOLVEMENT/IMPACT

The Office of County Counsel has approved the amendment to the existing agreement as to form and legal effect.

FINANCIAL CONSIDERATIONS

The current agreement provides for the County to pay to CHC a fixed amount of \$2.5 million per year for the services provided to CMSP enrolled individuals. The adopted 2013-14 budget includes the \$1.25 million associated with the recommended six month extension of the current agreement. The financial considerations associated with the changes that will follow the Medi-Cal expansion expected in January 2014 will be presented to the Board at a future date.

RESULTS

The recommended amendments extending the term of the agreement with CHC will allow continued access to primary medical care, ancillary and pharmacy services utilized by CMSP patients until the period that most of them will become eligible for Medi-Cal. In fiscal year 2012-13, approximately 3,200 people were enrolled at one point or another in CMSP, and CHC provided over 10,000 clinic visits and related ancillary and pharmacy services to that population. Access to medically necessary primary medical care and related services helps achieve the program's mission of ensuring proper access to health care for all medically indigent adults, and helps achieve the County's vision of a safe and healthy community.

ATTACHMENTS

1. Clerks Filed Statement for CHC Agreement Amendment FY 2013-14